Request For Proposals

Release Date: October 15th, 2013

Saint Paul Housing and Redevelopment Authority Inspiring Communities: Homebuyer and Rental Program

Summary/introduction

The Saint Paul Housing and Redevelopment Authority (HRA) is accepting applications for the Inspiring Communities program. The HRA obtained funds for the program through the Minnesota Housing Finance Agency (MHFA)* and the Minneapolis Saint Paul Housing Finance Board (MSPHFB). The Inspiring Communities program will provide focused investment in cluster areas in neighborhoods most impacted by foreclosure and vacancy, as well as additional investment to redevelop properties with financial, community driven, or partner identified obligations. The HRA investment seeks to construct new housing on vacant lots and to rehabilitate vacant structures. The program funds are designed to assist developers with development gap financing for new construction or rehabilitation.

Pending MHFA approval, the HRA Inspiring Communities program will have approximately \$2,890,000 in financing. Approval of program funds is anticipated prior to the due date of the RFP and adjustments to the funding amount available, if any, will be communicated as addenda to the RFP.

Proposals that minimize the use of subsidy, are from developers with a demonstrated record of housing production, and have progressive policies for neighborhood level workforce development and housing marketing, will be prioritized in the RFP process.

Purpose and objectives

The HRA has identified the following goals for Inspiring Communities:

- Utilize HRA property as a catalyst for neighborhood transformation
- Construct or rehabilitate 130 housing units to create a variety of housing opportunities in focused cluster areas
- Create job opportunities for local residents, Section 3 certified businesses, minority, women, or small businesses
- Inspire innovative, sustainable design and construction methods

General information and requirements

Funding Available

All funds will be offered as a 0% interest deferred loan forgiven upon either sale to an end buyer (homeownership activity) or fifteen years following occupancy of rental units (rental activity).

Fund Source	Eligible Use	Amount
		Available
Minnesota Housing Finance Agency Community Homeownership Impact Fund (fka CRV)	Owner-occupied housing. Rehab or construction of duplexes also eligible as long as one unit is owner occupied.	\$1,160,000*
Municipal Bond funds	Owner occupied or rental housing	\$1,730,000

^{*}Subject to approval by MHFA; actual amount awarded may vary.

Timeline

HRA staff anticipate the following timeline:

RFP Posted	Tuesday, October 15 th , 2013
Program Compliance Training	Tuesday, October 22 nd , 2013
(Strongly recommended, but not required)	
Open Houses*	Wednesday, October 23 rd – Friday, October
(By appointment only)	25 th , 2013, between 9 am – 3 pm
RFP Responses Due	Friday, November 15 th , 2013 by 3:00 pm CST
Board Action	Wednesday, January 8 th , 2014
Close on Development Agreement	By February 28 th , 2014
Completion of Project	Based on RFP response and agreement with
	HRA

^{*}The HRA will ensure staff availability for open houses **by appointment only** on October 23rd, 24th, and 25th between 9 am – 3 pm. Contact Nicole McCarthy at 651-266-6707 or Nicole.mccarthy@ci.stpaul.mn.us to schedule an appointment for one or more buildings included in the RFP.

The HRA reserves the right to change the timeline to ensure the RFP process is successful.

Properties Available

There are two lists of properties available under the RFP.

• A list properties: This list of properties is the highest priority for the HRA, due to funding requirements that have specific timelines to meet.

• **B list properties:** This list of properties is a secondary priority for the HRA because of increased flexibility with the redevelopment timeline.

Income Limits for End Occupants

There are income limits for the end occupants (owners or renters), of housing created through the Inspiring Communities program. See the property list for funding sources that apply to the respective addresses released through the RFP. When there are multiple funding sources on a property, the most restrictive income limit applies.

Funding Source	Income Limit of Owner or Renter
Community Development Block Grant (CDBG)	80% Area Median Income
Neighborhood Stabilization Program (NSP)	120% Area Median Income
Minnesota Housing Impact Fund (MHFA)	115% Area Median Income
Housing and Redevelopment Authority or	No income limit requirements
Invest Saint Paul (HRA/ISP)	

Income limits are updated annually by the Department of Housing and Urban Development (HUD) and MHFA. For current income limits, visit:

The HUD website (NSP/CDBG funds):

http://www.huduser.org/portal/datasets/il.html

The MHFA website (Impact Fund):

http://www.mnhousing.gov/idc/groups/public/documents/webcontent/mhfa 010361.pdf

Project Planning Assistance

The HRA will provide information as available to facilitate sale and cost estimations. The Developer is responsible for ordering any additional tests and updates required to meet HRA design guidelines and building code requirements.

Resource	HRA provides when:	Developer should plan to pay for:
Code Compliance	Property is a Category 2	Any updates to the code compliance
	or 3 registered vacant	report required by Department of Safety
	building	and Inspections (DSI)
TISH Report	Property is a Category 1	Any updates required prior to sale
	registered vacant building	
Lead risk assessment	Existing building was	HRA does not guarantee all risks are
and asbestos analysis	constructed before 1978	identified in tests provided. Unforeseen

		conditions or materials are developer's responsibility to test and abate.
HERS test and energy efficiency scope of work	Existing building	Energy efficiency scopes of work for existing buildings can be modified by consulting with Neighborhood Energy Connection (NEC). All post-rehab or post-construction tests or re-tests required are payable by Developer. New construction buildings must identify an energy rater and ensure compliance with Energy STAR for New Homes v.3
Radon test	Existing buildings only	Both existing and new construction buildings are responsible for a post-rehab or post-construction test.
Survey	Not ordered by the HRA (some surveys were previously ordered and are provided as a point of information)	Developer is responsible for ordering when necessary
Draft drawings or scopes of work	Not ordered by the HRA (some scopes were previously ordered and are provided as a point of information)	Developers are authorized to modify scopes of work or drawings provided by the HRA, as long as HRA design requirements are met.
Rebates for energy improvements		Average rebates of \$1,300 for rehabilitation projects and \$500 for new construction projects from Xcel Energy
Rebates for rain gardens		Up to \$1,000 of project costs from Capitol Region Watershed District.
Soil Test	Not ordered by HRA*	Developer is responsible for ordering when necessary

^{*}When the HRA has performed demolition of a home on a vacant lot, the HRA can certify that the foundation of the previously constructed building was removed. For lots that the HRA did not perform demolition, there is risk to the Developer that the soil conditions may be poor or that a foundation is buried on the site. If unforeseen soil conditions are discovered, the HRA will either work with the Developer to mitigate the conditions or the Developer may be released from obligation to develop the property.

Program Requirements

The HRA has developed manuals for both the Homebuyer and Rental Program. These documents outline Program expectations and procedures relative to project budgets and funding sources, eligible costs and allowable expenses, bidding and draw procedures, end-

occupant income restrictions, and general responsibilities. In addition, the HRA has created a set of Design Standards that must be incorporated into each project. Following award, the developer will execute a Development Agreement with the HRA, and at the time of closing the necessary loan and conveyance documents will be executed as applicable.

Criteria

Responses received will be subject to a two-part review process.

Part 1: Mandatory Requirements

A Respondent must meet minimum criteria in order to have their proposals considered. A majority of these criteria are addressed in Part 1 of the RFP Application. At a minimum, Respondents must be:

- **1. Experienced:** A minimum of 2 years experience doing projects of similar scope and size to those proposed.
- 2. Capable: The Respondent must demonstrate that during a 5 year period it has successfully redeveloped projects of similar scope and size to those proposed in similar markets. In other words, if the Respondent applies for 10 homes through the RFP, it should provide addresses of 10 homes in neighborhoods with a similar market profile it has successfully completed within the previous 5 years.
- **3. Credit Worthy:** For each project applied for, the Respondent must demonstrate that it has the ability to secure <u>all Sources</u> identified on the Sources and Uses statement. Demonstration of ability can include a financial statement, letter of credit from a bank or other financial institution, or other written third party documentation of sources.
- **4. Enterprise Green Communities Certification:** In compliance with the Design Guidelines of the Inspiring Communities program, all Developers must commit to certifying Projects through Enterprise Green Communities.

If a Respondent proposes projects on multiple properties, HRA staff reviewing the proposals will determine whether the respondent has the experience, capability, and creditworthiness to successfully complete all, some, or none of the proposed projects. Only the projects that staff determine can be successfully completed will be scored.

Additional requirements as applicable include:

- **Dayton's Bluff Historic District only:** Experience redeveloping properties in a historic district within the last 5 years.
- **Rental Projects only:** Experienced rental management staff and a detailed rental management plan.

Part 2: Additional Scoring Criteria

Proposals will be considered on a *per property* basis in the following order based on location or funding requirements:

- 1. CDBG high priority properties (A list)
- 2. Cluster area buildings for rehab (A list)
- 3. Cluster area lots that are tax forfeit, CDBG, or NSP funded (A list)
- 4. Buildings for rehab (B list)
- 5. Remaining lots (A or B list)

When multiple proposals exist for a property, the following factors will be considered:

- The use of **sustainable or innovative construction methods or design** beyond EGC Certification is encouraged.
- Use of a **local hiring/workforce development** plan is strongly encouraged.
- Evidence of market demand for the product proposed will be rewarded.
- **Cost effective** proposals that prioritize property improvements and minimize subsidy per unit will be favored.

SELECTION CRITERIA	Points
Conceptual plans/designs (including site plan, elevations and floor	
plans)	10
Innovative use of building materials or design	10
Ratio of soft costs to total development cost	
< 10%	10
10 - 15%	5
15% +	0
Evidence of market viability and justification of sales price to end	
buyer or rents proposed	10
Level of financial assistance requested per unit	
\$0 - \$50,000	20
\$51,000 - \$100,000	10
\$101,000 +	0
Project timeline/proposed schedule	
< 6 months	10
6 - 12 months	5
12 + months	0
Local hiring plan	5
Marketing plan	5
Section 3 certified developer	10
CERT Certification (S/M/W BE)	5
Maximum points	95

Application procedure

Applications are due by 3:00 pm on Friday, November 15th, 2013.

Deliver application materials to:

City of Saint Paul Housing and Redevelopment Authority
Attn: Inspiring Communities RFP
25 West Fourth Street, Suite 1100
St. Paul, MN 55102

LATE PROPOSALS WILL NOT BE ACCEPTED

Questions about the RFP must be submitted in writing to Roxanne Young at Roxanne.young@ci.stpaul.mn.us with the subject line "Inspiring Communities RFP". Responses to questions will be posted within three business days on the Inspiring Communities website http://www.stpaul.gov/index.aspx?nid=2837

Submittal Requirements and Checklist

Each Respondent shall submit one original and two (2) unbound copies of the following documents in a clear, legible, 12 point font, and document on 8.5 by 11 inch format.

Respondents must adhere to the submission requirements. Failure to comply with the instructions of this RFP will be cause for rejection of the proposal. The HRA reserves the right to seek additional information to clarify responses to this RFP and to reject any or all submittals it deems nonresponsive.

Co	versheet (attachment A)
Pai B)	rt 1 - Business Application. Provide one Business Application per proposal. (attachment Resumes of the development team
	Documentation from funding sources providing evidence of financing consistent with sources and uses statements
	Disclosure Affidavit (attachment C)
Pai	rt 2 - Project Application. Provide one Project Application per address. (attachment D)
	Conceptual drawings (draft form is acceptable)
	□ Site plan
	☐ Typical floor plans showing floor area totals
	☐ Elevations identifying building materials
	If owner occupied: homeowner sources and uses (attachment E)
	If rental: rental sources and uses (attachment F) and cash flow projection (attachment
	Pan

See the Inspiring Communities website for the following additional information:

• RFP application

G)

- Property lists and maps
- Open house schedule
- Homeowner and rental program manual
- Green Communities resources
- Developer resources and templates

ATTACHMENT A COVERSHEET

Coversheet

Inspiring Communities Request for Proposal

Saint Paul Housing and Redevelopment Authority Homebuyer and Rental Program Applications are due by 3:00 pm on November 15th, 2013.

For each property, indicate the required information (attach additional pages as needed).

	Property Address	Subsidy Request	A or B Property?
1.		\$	
2.		\$	
3.		\$	
4.		\$	
5.		\$	
6.		\$	
7.		\$	
8.		\$	
9.		\$	
10		\$	
11.		\$	
12.		\$	

For each address included on cover sheet, provide:

- If owner occupied project: owner sources and uses
- If rental project: rental sources and uses and cash flow projection

ATTACHMENT B BUSINESS APPLICATION

PART 1 BUSINESS APPLICATION

Complete and submit this application <u>once</u>.

1.	Address: Telephone: Contact: E-Mail Address	:	FAX:	
2.	List individuals hav	ing an interest of ten pe	rcent (10%) or more in the	e business.
Na	me	Title	Description of Interest	Percentage of Interest
3. The business was established on				
4.	Number of years in	n business:		
5.	5. List the members of the development team and consultants. Insert additional pages as necessary (attach resumes of all members of the development team)			
Na	me	Title	Firm	Role
				4

6.		he development entity have expended in the l	·	?YESNO If
7.	a. b. c.	espondent is a certified as a: Community Housing Developme Community-Based Development Section 3 organization CERT Certified business (check a	Organization, CBDO	 WBESBE
8.	a. b. c.	Darate page please provide the fold Brief description of the Respond Please list similar projects in similar developments within the last five Provide a narrative overview of the sources of equity investment and Additional material may be requised consistent with sources and uses Describe your marketing strategy Describe your strategy for local formula (Rental projects only) Describe the experience and plan. Additional comments.	ent's real estate development exilar markets wherein the Responde years. The financial structure of the properties of the properties and terms of lende ested if necessary. Attach evidents statements. y. niring.	perience. dent has completed cosal. Identify the r financing. ce of financing
	e inforn lief.	nation contained herein is true an	d correct to the best of my/our k	knowledge and
Sig	nature		Title	Date
Sig	nature		Title	Date

ATTACHMENT C DISCLOSURE AFFIDAVIT

DISCLOSURE AFFIDAVIT

1. PRINCIPAL INFORMATION

This affidavit must be completed by an authorized person or persons on behalf of the business or non-profit entity ("Business") submitting the proposal.

If the Business is a for-profit, investors, officers, and principal members having an interest of ten (10%) or more of the corporation must submit individual copies of this affidavit. If the Business is a non-profit, the executive director must provide an individual submission.

Business Name	
Business Address	
Individual Name	
Phone Number	
Email Address	
Home Address	

2. PRINCIPAL DISCLOSURES

_YES __NO

Check the boxes below regarding each individual and/or business listed above. For each item listed below answered in the affirmative, please provide a full explanation including, as appropriate, (1) date, (2) charge or claim, (3) place, (4) court and case number, (5) current status of case, and (6) outcome of case. Attach documentation as necessary.

a.	Business/Individual is a party in a pending lawsuit.
	YESNO
b.	Business /Individual is the subject of a judgment or has a conviction or pending case
	for criminal or civil fraud or bribery.
	YESNO
c.	Business /Individual has a conviction or pending case for arson.
	YESNO
d.	Business /Individual has been indicted for or convicted of any felony within the past
	10 years.
	YESNO
e.	Business /Individual has been a debtor in a bankruptcy proceeding, either voluntary
	or involuntary, within the past 10 years.

f. Business /Individual has unpaid delinquent taxes, municipal liens, and/or outstanding civil money judgments. YES NO g. Business /Individual has been declared in default of a loan or failed to complete a development project. YES NO h. Is the Business in good standing with the Minnesota Office of the Secretary of State? YES NO i. Is the Business /Individual subject to any defaults, liens, or judgments? YES NO j. Has the Business /Individual failed to complete or currently in violation of a development agreement or other agreement involving the City of Saint Paul or the Housing and Redevelopment Authority of the City of Saint Paul? YES NO k. Has the Business /Individual previously been involved in a lawsuit with the City of Saint Paul or the Housing and Redevelopment Authority of the City of Saint Paul? __YES __NO I. Does the Business /Individual own property that is currently subject to multiple housing code violations or prompted three or more police calls within the last year? YES NO m. Has the Business /Individual failed to obtain a required permit for work performed in the City of Saint Paul? YES NO

Statement of Non-Collusion

The Individual signing this affidavit, on his/her own behalf or on the Business's behalf, as applicable, swears or affirms that:

- 1. He or she is fully informed respecting the preparation and contents of the subject proposal.
- 2. The proposal is genuine and is not a collusive or sham offer, nor does the Business/Individual, as applicable, intend to hold said property as a "speculative" investment.
- 3. The price or prices quoted in this offer are fair and proper and this Business/Individual or any of its officers, partners, agents, representatives, owners, or employees, as applicable, has not in any manner sought to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against the City, or any person interested in the proposed contract and/or redevelopment.

I swear or affirm, on my own behalf or on the Business's behalf, as applicable, that the information contained in this Disclosure Affidavit is true and correct to the best of my/our knowledge and belief. I further acknowledge that the statements made in this Disclosure

Affidavit are material and will be relied upon by the Housing and Redevelopment Authority o
the City of Saint Paul, Minnesota, in determining what action to take on this proposal.

Signature	1	litle little	Date	
STATE OF)) ss.)			
The foregoing	instrument was acknov	vledged before me this	day of	,
2013, by).	, (individually)	(on behalf	of

ATTACHMENT D PROJECT APPLICATION

PART 2 PROJECT APPLICATION

Complete this form for <u>each</u> address.

	Property Address:
	Developer:
•	Proposed project description: Building square footage, size of property, description of buildings-materials, etc. Attach conceptual drawings including site plan, elevations and floor plans.
	Describe innovative use of building materials or design.
	State specific reasons why the use of HRA assistance is necessary for the project
	Provide the justification for expected sales prices to end buyers or lease rates. Attach supporting material as needed.

5.	5. Will building be owner occupied	YesNo						
6.	For owner-occupied projects: Please submit an ownership sources and uses statement for the subject address. (Attachment E)							
7.	For rental projects: Please submit a rental sources and uses statement for the subject address. (Attachment F) and a 15-year cash flow projection (Attachment G)							
8.	Project completion schedule: ☐ 6 Months or less ☐ 12 Months or less ☐ More than 12 months ○ State time required:							
9. Additional Comments:								
The information contained herein is true and correct to the best of my/our knowledge and belief.								
Sig	Signature Titl	е	Date					

ATTACHMENT E OWNERSHIP SOURCES AND USES

ATTACHMENT F
RENTAL SOURCES AND USES

ATTACHMENT G RENTAL 15-YEAR CASH FLOW PROJECTION